



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Tenet Healthcare Corporation's decision to sell Redding Medical Center
Da: Thursday, Dec. 11, 2003

Today the Tenet Healthcare Corporation announced it plans to sell its Redding Medical Center in lieu of having the hospital excluded from federal health care programs. This is the first case in which the Department of Health and Human Services, Office of Inspector General, initiated the exclusion of a hospital based on unnecessary or substandard care.

In August, the federal Justice Department obtained a record-setting recovery against Tenet over alleged unnecessary cardiac procedures and surgeries performed at the Redding hospital. Sen. Chuck Grassley, chairman of the Committee on Finance, is investigating Tenet's practices at the Redding Medical Center hospital and other Tenet hospitals. Grassley is concerned about patient welfare and the waste of federal Medicare dollars. He made the following comment on today's development.

"I applaud the inspector general's unprecedented action. Forcing Tenet to sell the Redding hospital is a step in the right direction. A new owner hopefully will restore integrity to the facility for patients, the community, and the federal taxpayers who pay for Medicare. This sale won't be the end of my investigation, however. Tenet's patients and taxpayers in general need to know what happened at the Redding hospital. We have to expose the terrible things that happened there so they never happen again.

"Ten years ago this operation had to divest itself of its psychiatric facilities while operating under a different name, National Medical Enterprises. The company paid \$379 million to settle allegations of health care fraud at that time, including \$33 million in criminal fines. Many of the same officers and directors are still around today. With this history and the more recent events at Redding Medical Center, the public obviously deserves the kind of full accounting that will stop another round of possible fraud and abuse."